

A Strategic Playbook.

# Optimizing the Architecture of Value



# Answering the definitive question for subscription growth

“What is the optimal membership mix and pricing structure for my target demographic?”



Demographic Mapping



Tier Architecture



Pricing Psychology

# Moving beyond basic demographics to behavioral drivers



## Core Needs

What specific pain points is the product solving for them?



## Frequency of Use

Are they daily power users or occasional visitors?



## Willingness to Pay (WTP)

What is the perceived ROI of the product in their daily life or business?

**Strategic Imperative:** Traditional demographics tell you who they are. Behavioral drivers tell you how they buy.

# Identifying the archetypes within your audience



## The Casual User

- Low friction, price-sensitive.
- Seeks immediate core utility.



## The Core Adopter

- High frequency, relies heavily on the product.
- Balances price with advanced functionality.

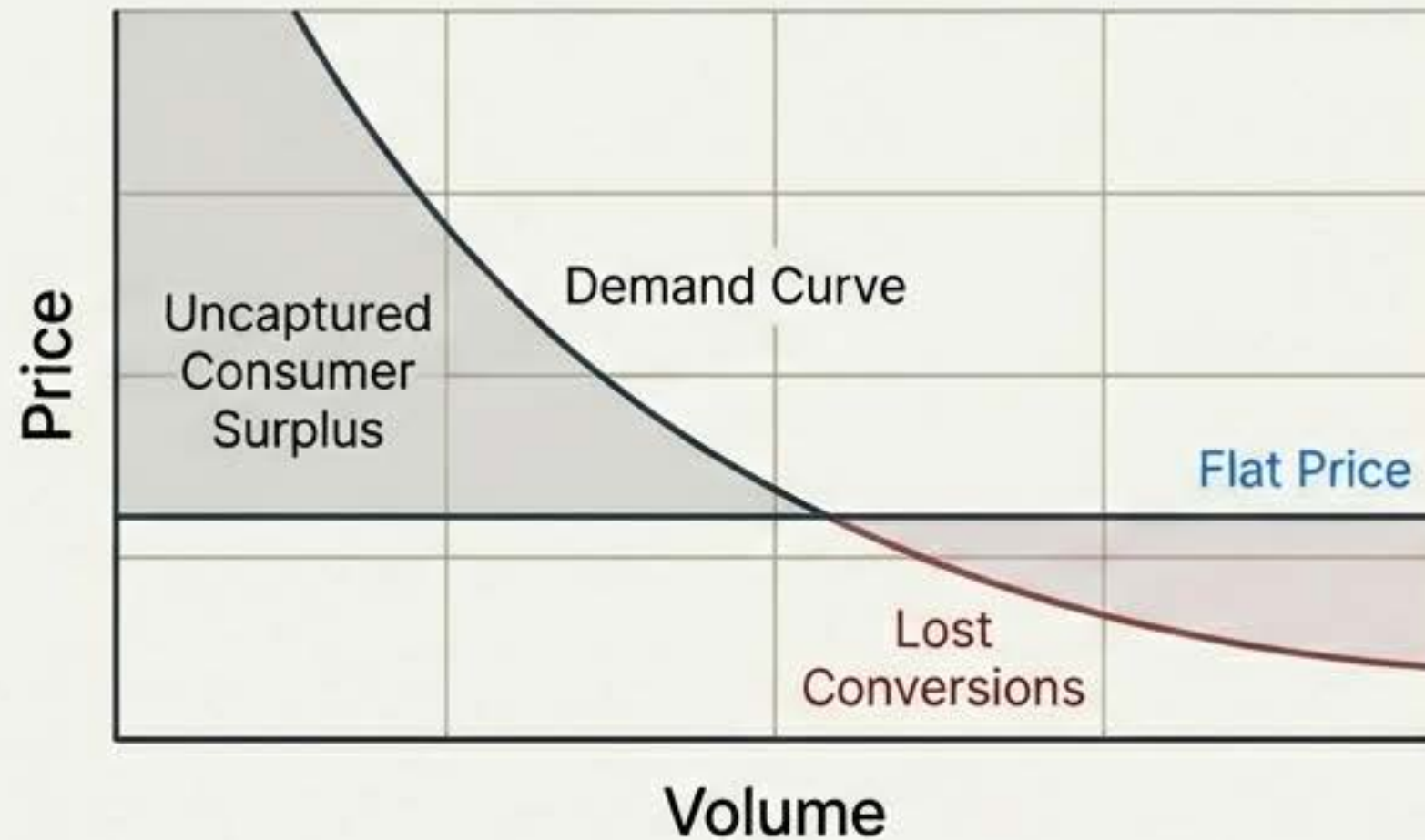


## The Premium VIP

- Inelastic willingness to pay.
- Demands white-glove service, status, or absolute zero-friction experience.

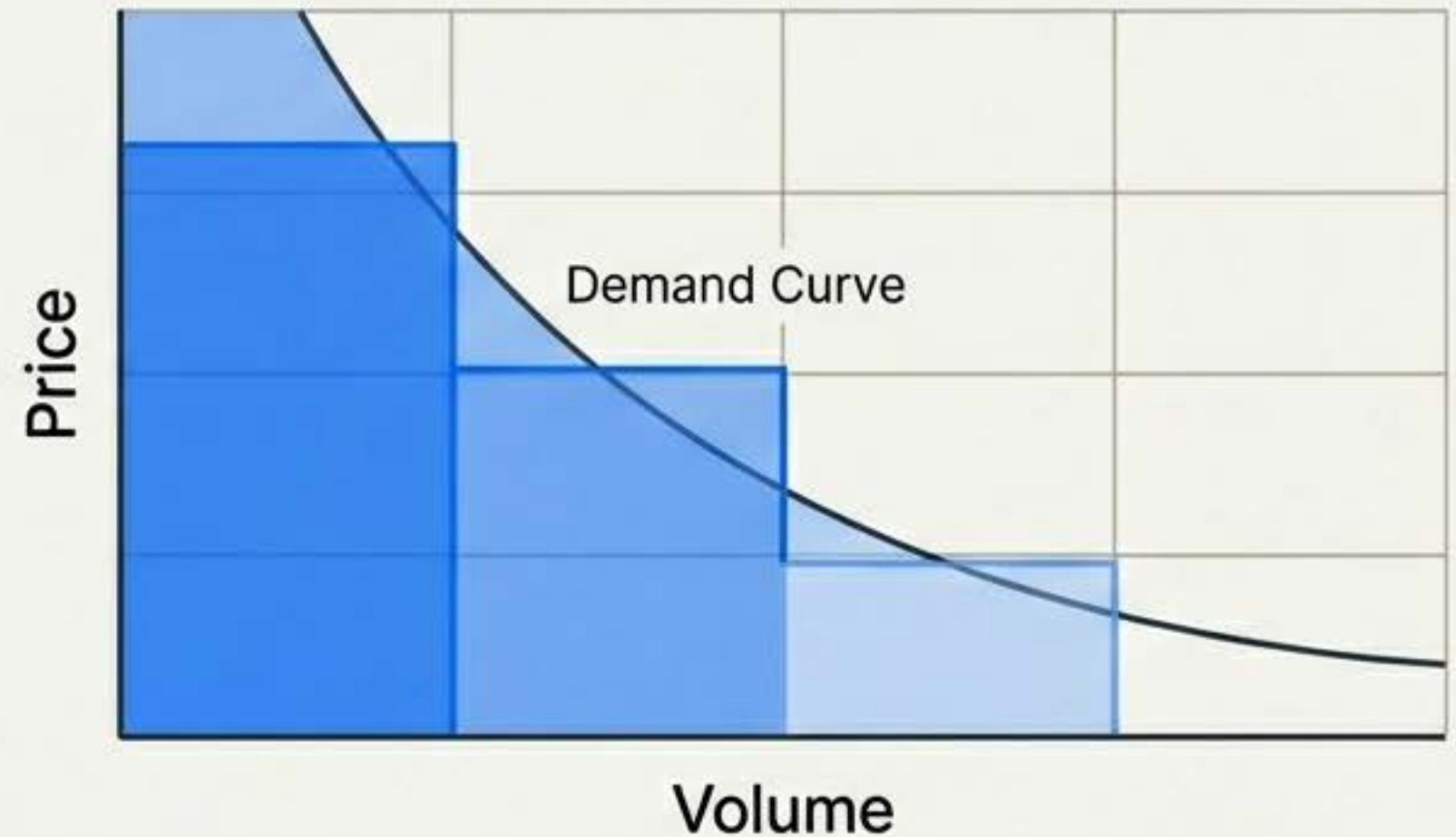
# Why multi-tiered models outperform flat pricing

## Flat Pricing



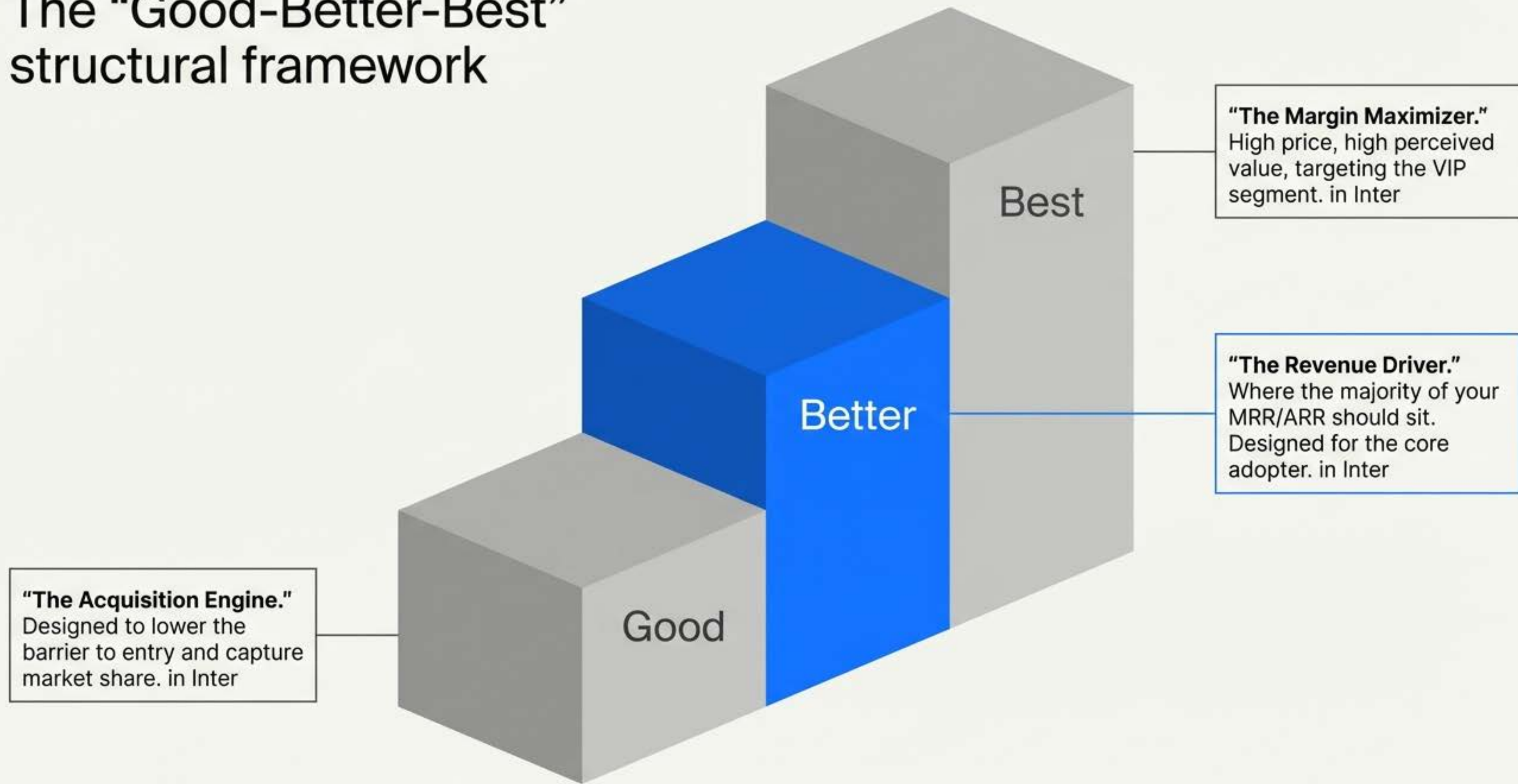
A single price leaves money on the table from your VIPs and prices out your Casuals.

## Tiered Pricing

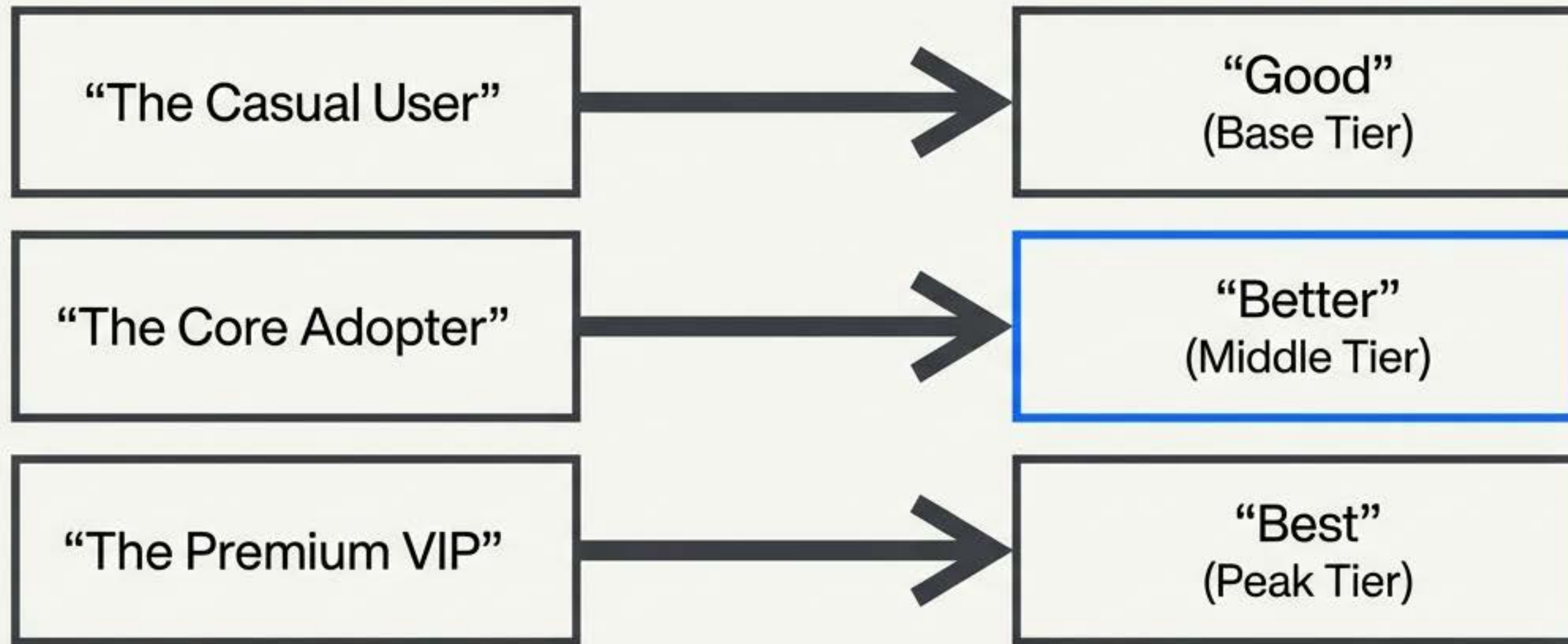


A tiered mix captures maximum consumer surplus by allowing users to self-segment.

# The “Good-Better-Best” structural framework



# Aligning audience archetypes to the optimal tier









Optimal membership mixes are not created in a vacuum; they are reverse-engineered from your distinct behavioral segments.

# Delineating table-stakes from premium drivers

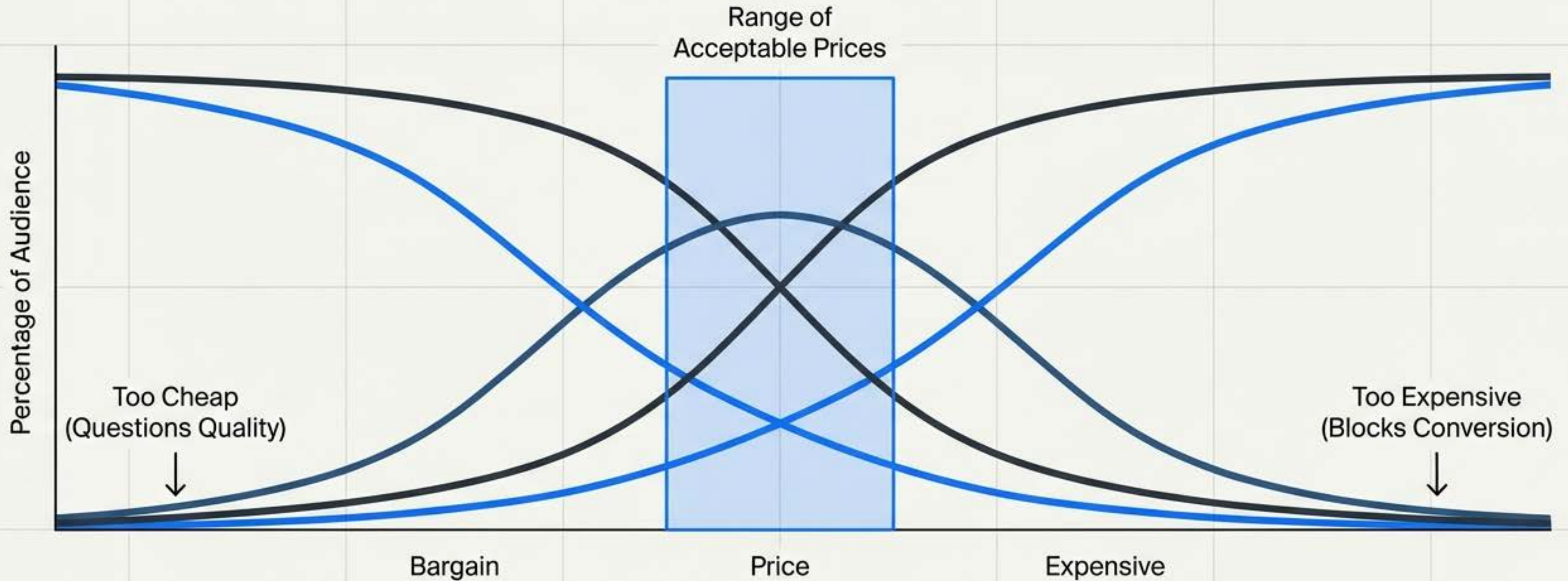


Revenue Leakage Risk: Including premium driver features in your base tier destroys the incentive for users to upgrade.

# Selecting the right structural billing model

Flat-Rate Subscription	Usage-Based (Pay-as-you-go)	Hybrid Model
Predictable, easy to communicate. Best for content or access.	Scales perfectly with value. Best for infrastructure or variable-cost services.	Base subscription fee plus usage overages. Captures predictability while allowing for infinite upside.
 High Predictability	 Zero Barrier to Entry	 Optimal for B2B SaaS
 Limits Upside	 Revenue Volatility	 Complex to Implement

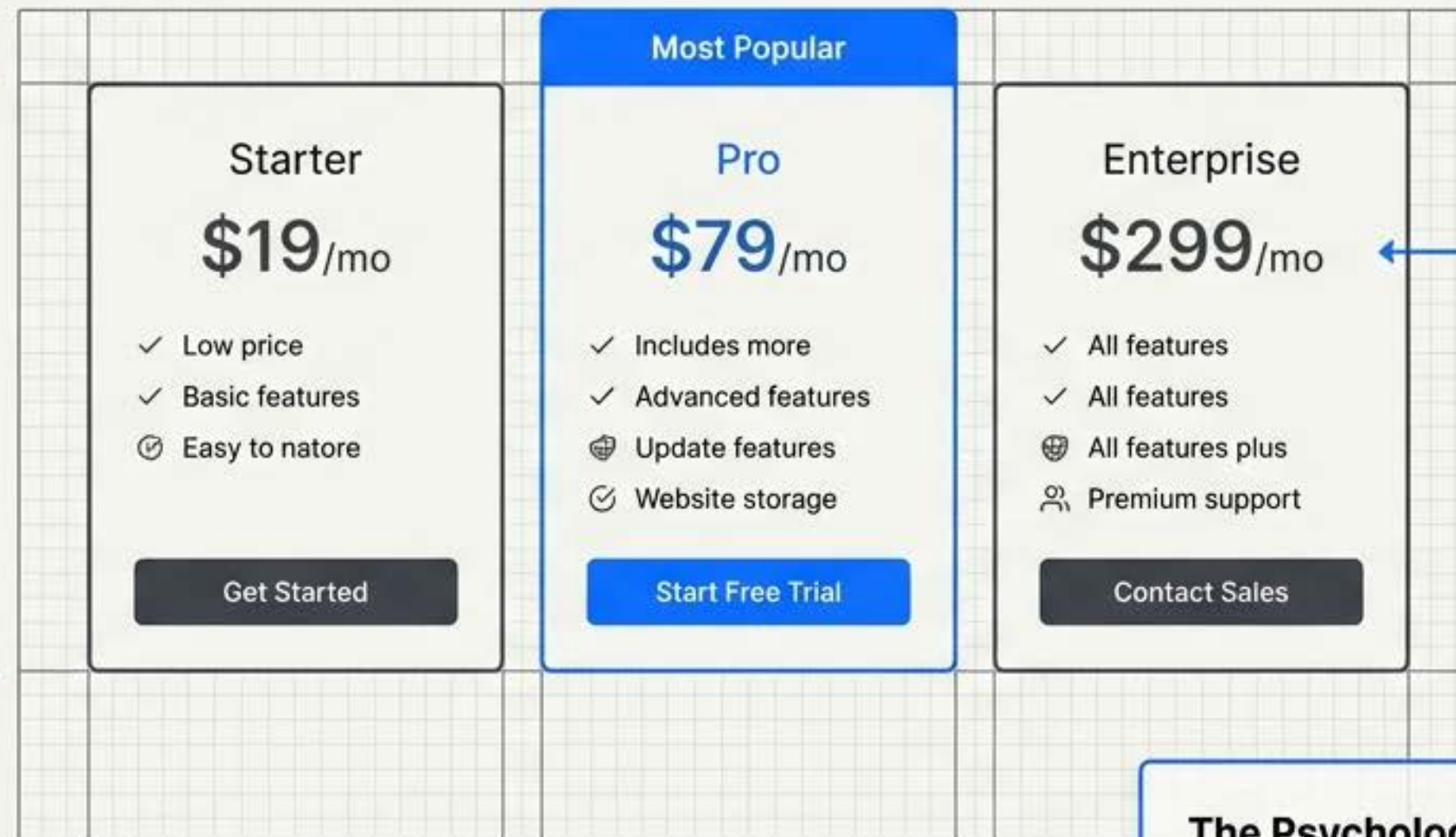
# Finding the price elasticity sweet spot



The optimal price is rarely the highest price; it is the point of maximum revenue realization where conversion rate and price point intersect.

# Utilizing psychological levers to maximize conversion

**Highlighting:** Utilizes social proof to direct the core adopter to the target MRR driver.

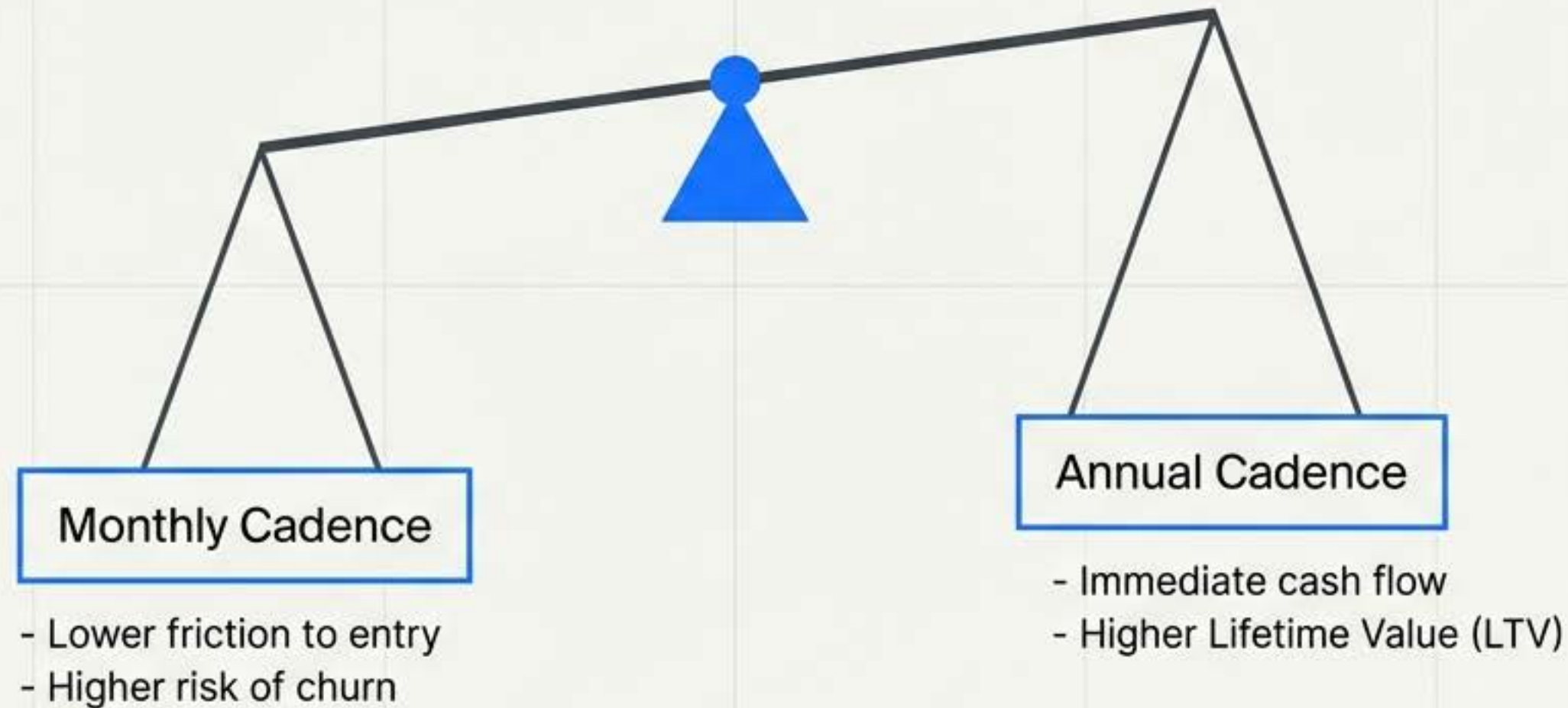


**The Decoy Effect:** Priced strategically to make the middle tier look like a significantly better deal.

**Price Anchoring:** The extreme high price of the 'Best' tier makes the 'Better' tier feel highly affordable by comparison.

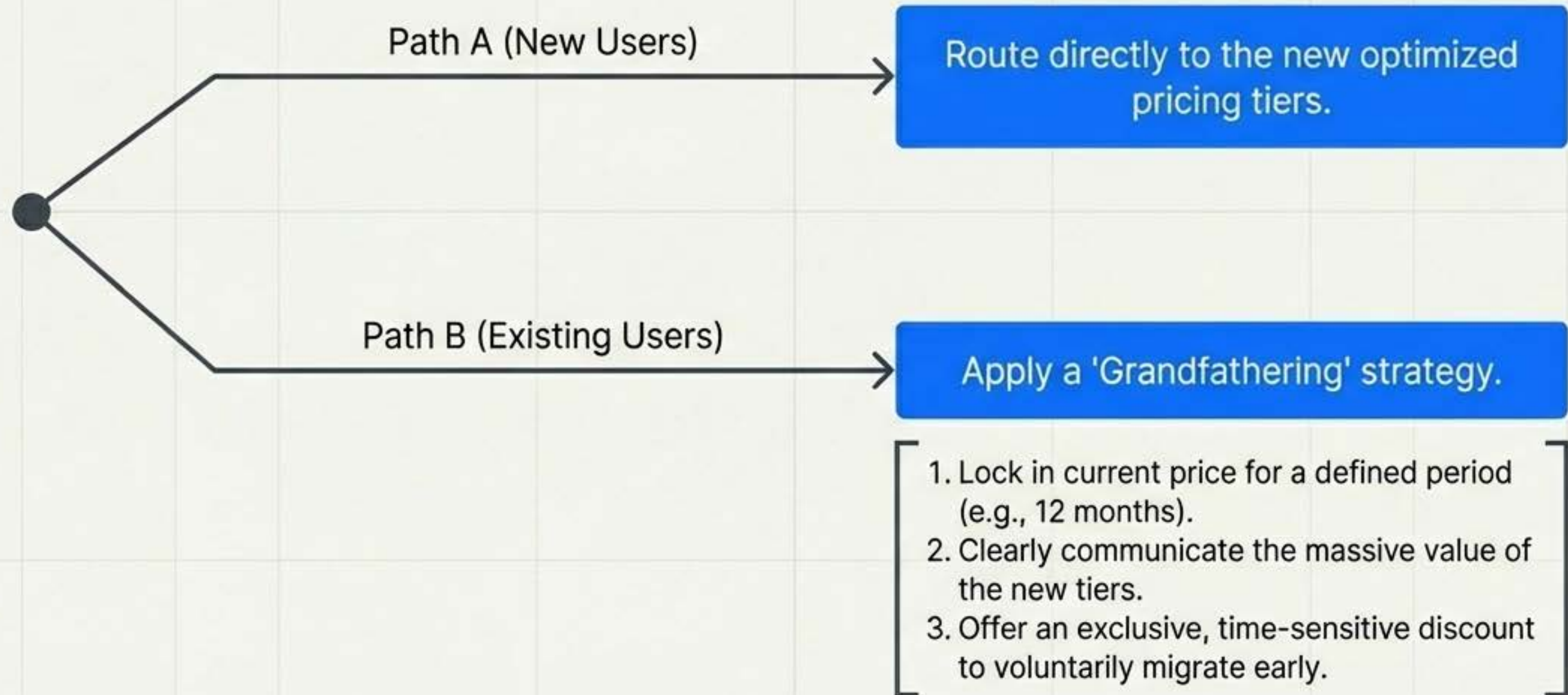
**The Psychology:** Buyers rarely evaluate prices in isolation. They evaluate prices relative to the options presented next to them.

# Balancing immediate cash flow with long-term retention



Standard practice requires offering a 15-20% discount on annual plans to incentivize the lock-in and dramatically reduce involuntary churn.

# Rolling out changes without alienating the base



# Monitoring the health of your pricing architecture

ARPU (Average Revenue Per User)



Should trend upward with a successful mix.

LTV:CAC Ratio

**3:1**

Lifetime Value to Customer Acquisition Cost. The gold standard of unit economics.

Net Revenue Retention (NRR)



Tracking expansion revenue from upgrades against churn.

Upgrade/Downgrade Velocity



How fluidly users move between your Good, Better, and Best tiers.

# Your blueprint for execution

1

## Step 1: Define the Demographics

Map behavioral drivers to Casual, Core, and VIP archetypes.

2

## Step 2: Build the Mix

Establish a Good-Better-Best tier architecture.

3

## Step 3: Set the Economics

Apply the right structural model and leverage pricing psychology.

4

## Step 4: Launch and Measure

Grandfather existing users and monitor ARPU and NRR.

